IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2023 RATING LIST APPEAL

Case No: CHG101352590

Sitting remotely using Microsoft Teams on 18 March 2026

Date: 16 April 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Non-Domestic Rating Appeals; 2023 Rating List; Car Showroom and Premises; comparable evidence; Lotus and Delta v Culverwell (VO) & Leicester City Council [1976] RA 141; appeal dismissed.

Before:

MRS F CORTESE
MR WJ READ

Between:

FORD RETAIL LTD T/A TRUSTFORD — **Appellant**

- and -

ANDREW MOULAND (VALUATION OFFICER) — **Respondent**

Regarding:

319, EDGWARE ROAD, LONDON, NW9 6TH
(the "subject property")

Mr A Moore, from Ryan Property Tax Services representing the Appellant
Mr S Forbes, representative for the Respondent

DECISION AND STATEMENT OF REASONS

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DECISION

1. The appeal is dismissed.

2. The Tribunal found the rateable value (RV) of the subject property at £580,000 effective from 1 April 2023 to be reasonable.

STATEMENT OF REASONS

Introduction

3. This is a 2023 Rating List appeal, brought in respect of the following: 319 Edgware Road, London NW9 6TH, which was entered in the rating list as Car Showroom and Premises at £580,000 Rateable Value (RV).

4. The appellant’s challenge to the Valuation Officer (VO) was made on 10 May 2025. The appeal to this Tribunal was made on 31 October 2025, following the VO’s decision notice dated 9 September 2025, in respect of the subject property, which confirmed there would be no change to the entry in the 2023 Rating List. The material day in this appeal is 1 April 2023.

5. Both professional representatives appeared in a dual role as advocate and expert witness. Mr Moore confirmed that he was employed on a success-related fee basis.

6. Both representatives declared that they understood and fully accepted that their duty was to the Tribunal in giving evidence and that they would comply with this as well as the requirements of their professional body, regardless of whether or not the evidence supported the client’s case.

7. The panel have accepted this expert witness evidence on the above basis as the appeal is not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the Procedure regulations and is allowable due to the Tribunal’s rules on admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial). The panel therefore considered the “expert” evidence and attached such weight to it as it saw fit.

8. This statement of reasons is not and does not purport to be a full verbatim record of the proceedings.

Background

9. The appeal property is a purpose-built car showroom constructed in 2001. It is stated to be a glazed structure consisting of service areas, workshop, office areas and a showroom on the ground floor and additional office accommodation on the first floor. The property benefits from some covered parking in addition to vehicle display spaces at the front of the site.

10. The appellant sought a reduction in the RV of the subject property to £505,000, on the basis that the unadjusted rate (UAR) of £192/m^2 was excessive and that it should be reduced to £165/m^2. The panel were told that due to the presence of air-conditioning in the subject property, previously unaccounted for, there was an uplift in the RV from £570,000 to £580,000. This matter was not disputed.

11. The evidence before the panel comprised of the information disclosed and exchanged during the challenge process. The submissions included rating assessments in support of tone, the

parties' skeleton arguments, a schedule of comparable assessment evidence, and a copy of the current and the proposed valuations.

Preliminary issue

12. Prior to the hearing, the clerk received emails from the representatives of both parties containing information and evidence in respect of the subject property and comparable properties. There were no objections from either Mr Moore or Mr Forbes to the inclusion of this additional information and evidence, with both parties willing to address any matters during their verbal testimony.

13. With the agreement of the parties as there was no apparent disadvantage to either party and no serious or significant breach, the panel decided that it was fair and reasonable to consider this appeal taking into account all of the information and evidence exchanged between the parties prior to the start of the hearing.

Relevant Law

14. When arriving at its decision, the Tribunal is governed by rating legislation laid down by Parliament. Schedule 6 to the Local Government Finance Act 1988, as amended by section 1(2) of the Rating (Valuation) Act 1999, defines the Rateable Value of a non-domestic property as the amount equal to the rent at which it is estimated the property might reasonably be expected to let on a year to year basis on these three assumptions:

    (a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;

    (b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;

    (c) the third assumption is that the tenant undertakes to pay all the usual tenant's rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.

15. In respect of an appeal against an entry in the 2023 Rating List, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2021, in accordance with the Rating Lists (Valuation Date) (England) Order 2020 (SI 2020 No. 832). In respect of this appeal the material day is 1 April 2023.

Discussion

16. The panel analysed the competing evidence with reference to the Lands Tribunal judgment in *Lotus & Delta v Culverwell (VO) and Leicester City Council [1976]* RA141. This provided authoritative guidance on the weight to be attached to rental and assessment evidence. The rent on the appeal property is accepted to be the correct starting point, with consideration given to how that rent accords to the terms of the statutory definition of rateable value.

17. In considering whether the current RV was reasonable, the panel turned firstly to the rent passing on the subject property. It was let at a rent of £500,000 per annum from 1 May 2023, with there being no rent-free period. The appellant stated the lease was for a term of 20

years, with the rent analysed to £165.42/m^2, which supported his proposed unadjusted rate of £165/m^2. The subject property was let in a CAT B state, confirmed via the schedule of the lease, and with the fit out costs borne by the tenant, having reviewed evidence from car showrooms in the locality, in particular CAT B lettings which he considered to be the most reliable rental evidence, taking into account the hierarchy of evidence established in the judgment in *Hitchings (VO) v. Shoosmiths LLP and Mando Group Ltd* [2025] UTUK 224 (LC), Mr Moore contended that the current adopted rate was unreasonable, with any uplift for fit out cost not supported by the evidence.

18. The respondent analysed the rent for the subject property at £216.57/m^2, having taken into account the tenant's fit out, based on the letting as a lease renewal of 15 years, with a rent review every 5 years. With regard to car showrooms Mr Forbes stated that standard showroom leases are usually granted on a shell-only basis for 10–20 years, with upward-only, five yearly rent reviews often linked to inflation, with tenants funding their own fit outs, which typically depreciate over 10 years and significantly influence the rent they can afford. As fit outs add rental value their cost is reasonably reflected in rental analysis, even though leases often require tenants to remove fixtures at expiry, usually at a cost greater than their remaining value. He added that landlords rarely fund fit outs due to cost and risk, except where a manufacturer has a property interest, in which case costs may be recovered separately from the franchisee.

19. Furthermore, Mr Forbes told the panel that the passing rent of the subject property had not changed since 2002, with it being particularly unusual that there had been no change for 24 years. He stated this rent was agreed between connected parties, with the freeholder of the subject property to be Ford UK and the occupier and tenant Ford Retail Limited, the dealer group owned by Ford.

20. Having worked on the valuation of car showrooms for the respondent, including revaluations when a new rating list was to be introduced, he stated that the evidence he had seen from this work, showed that rents for car showrooms had increased, with increased rents reflected throughout the rating list. He stated there had been a reduction in the number of car showrooms, which he stated was at a rate of two hundred closures each year, albeit there was no documentary evidence presented to the panel to verify this. This was disputed by the appellant's representative, who stated that reports in the automotive sector confirm that there has been no rental growth in the sector over the past few years as a result of the COVID 19 pandemic, highlighting the rents of the two comparable properties which he had submitted, to support his claim.

21. The appellant's case disputed the respondent's assumption that 'all car showroom leases are for 'shell-only,' with evidence provided of the Form of Return and the lease in respect of the subject property, to show that car showrooms are let at CAT B. In addition, with regard to the two comparable properties which the respondent submitted as rental evidence, at 4 Staples Corner Business Park, Edgware Road, and 76-77 Capitol Way, London, Mr Moore had provided documentation to show that the first of these, which he considered the most comparable item of evidence, was a letting at CAT B. Moreover. his submission stated that both of these properties, referred to by the respondent were CAT B lettings, undermining the respondent's fit-out adjustment as arbitrary and unsupported.

22. The panel took into account the comprehensive documentary and verbal evidence in respect of 4 Staples Corner Business Park, Edgware Road, and 76-77 Capitol Way, London, presented by both Mr Moore and Mr Forbes, with their rents analysing at £262.68/m^2 and £252.45/m^{2,} respectively. When compared to the £216.57/m^2 at which the respondent had

analysed the subject property, Mr Forbes stated that the existing unadjusted rate of £192/m^2 was more than reasonable. However, Mr Moore stated that like the subject property, the evidence signified that these properties were let at CAT B. Consequently, there was no need for any uplift to the subject property's analysed rent of £165.42/m^2, as supported by the decision in *Hitchings (VO) v. Shoosmiths LLP and Mando Group Ltd*, as this would equate to the double counting of CAT B fit out costs. The panel noted that this judgment was in respect of offices, with the respondent's representative stating that the valuation of offices was markedly different to that of car showrooms.

23. The respondent had also submitted evidence of five other car showrooms in the locality. The unadjusted rate for four of these properties was £220/m^2, with the other at £236.79/m^2. In addition to this, evidence of ratified decisions relating to two other properties at unadjusted rates of £230/m^2 and £240/m^2 were provided by the respondent, with the panel noting that these related to properties in Dartford and Hook, rather than in the locality of the subject property.

24. Both representatives made reference to the 2017 Rating List entry for the subject property, with Mr Moore stating that at challenge stage, it had been agreed to reduce the RV in that list from £580,000 to £525,000. Mr Forbes stated that the 2017 rateable value was agreed based on an unadjusted rate of £175/m^2, with the caseworker who dealt with that matter, not having identified the connected party rent. He also stated that the appeal before this panel sought an unadjusted rate of £165/m^2, which taking into account increases in value between lists, was less than the 2017 unadjusted rate and regarded as unreasonable.

25. In arriving at a decision, the panel when considering the basket of evidence were not persuaded by the appellant's evidence. The rent for the subject property was between connected parties and had not changed for twenty-four years. This could not be relied upon, whether or not it included an uplift for CAT B fit out. The panel held a similar view with regard to the rents of the two properties at 4 Staples Corner Business Park, Edgware Road, and 76-77 Capitol Way, London. Whilst the panel was disappointed with the number of comparable properties cited, taking into account the possibility of the presence of a multitude of car showrooms in northwest London, when considering the unadjusted rates of the other car showrooms in the locality, the panel found the current rateable value to be neither excessive nor unreasonable.

Conclusion

26. In view of the above findings and conclusions, the Tribunal panel dismissed the appeal.

Right of further appeal

27. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was issued.

28. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions"* available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets/.

Mrs F Cortese, Senior Member (Chair)
Mr WJ Read, Senior Member
16 April 2026

Mr R Patel
Clerk to the Tribunal
Date issued to the parties: 16 April 2026